

REFERENCE TITLE: disclosure; beneficiary

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2779

Introduced by
Representatives Reagan: McComish

AN ACT

AMENDING SECTION 33-404, ARIZONA REVISED STATUTES; RELATING TO CONVEYANCES
AND DEEDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-404, Arizona Revised Statutes, is amended to
3 read:

4 33-404. Disclosure of beneficiary; recording; failure to
5 disclose

6 A. Notwithstanding section 33-411, subsection D, every deed or
7 conveyance of real property, or an interest in real property, located in this
8 state which is executed after June 22, 1976 in which the grantee is described
9 as a trustee or acts as a trustee shall disclose the names and addresses of
10 the beneficiaries for whom the grantee holds title and shall identify the
11 trust or other agreement under which the grantee is acting or refer by proper
12 description to the document number or the docket and page of an instrument or
13 other writing which is of public record in the county in which the property
14 so conveyed is located AND in which such matters are disclosed.

15 B. Notwithstanding section 33-411, subsection D, every deed or
16 conveyance of real property, or an interest in real property, located in this
17 state which is executed after June 22, 1976 by a grantor who holds title to
18 the property as a trustee, whether or not such capacity is identified on the
19 document through which title was acquired, shall also disclose the names and
20 addresses of the beneficiaries for whom the grantor held title to the
21 property and shall identify the trust or other agreement under which the
22 grantor is acting or refer by proper description to the document number or
23 the docket and page of an instrument or other writing which is of public
24 record in the county in which the property so conveyed is located AND in
25 which such matters are disclosed.

26 C. Notwithstanding section 33-411, subsection D, a grantee who holds
27 title as a trustee under a trust or other agreement which is subject to the
28 disclosure requirements of this section and who receives actual knowledge
29 after August 18, 1987 of a change in beneficiary, within thirty days after
30 receiving such actual knowledge, shall record with the county recorder of the
31 county in which the property is located a notice of the change. The
32 recording and any subsequent recording of any change in any beneficiary shall
33 identify the trust or other agreement under which the grantee holds title and
34 shall include the legal description of the property and a list of the then
35 current names and addresses of the beneficiaries.

36 D. Notwithstanding subsections A, B and C of this section, a trustee
37 is not required to record a change of beneficiary if, upon the death of a
38 beneficiary of a real property trust, the interests of the deceased
39 beneficiary vest in the beneficiary's estate or in other beneficiaries
40 identified in a previous recording. If the interest of the deceased
41 beneficiary vests in a beneficiary not identified in a previous recording,
42 the trustee shall comply with the recording requirements of this chapter
43 within thirty days of receipt of both knowledge of the death and the name and
44 address of the successor beneficiary or beneficiaries or within thirty days

1 of the first distribution of income or principal to a successor beneficiary
2 or beneficiaries, whichever occurs first.

3 E. Any conveyance of real property or an interest in real property
4 which does not include the disclosures required by this section with respect
5 to the property so conveyed is voidable by the other party to the
6 conveyance. Any action to void the conveyance shall be commenced within two
7 years after the date of recordation of the document effecting the conveyance.

8 F. If real property or any interest in real property, or any mortgage,
9 deed of trust or other lien on real property, is acquired for value, the
10 title, interest, mortgage, deed of trust or other lien is not impaired or in
11 any way adversely affected by reason of the failure of any person to comply
12 with the requirements of this section.

13 G. As used in this section, "trustee" does not include an agent for a
14 disclosed principal, a conservator, a guardian, a personal representative, an
15 attorney-in-fact, a lessor or lessee under a lease, a trustee in a bankruptcy
16 or receivership proceeding, a trustee under a deed of trust, a trustee under
17 a business trust or a trustee under an indenture for security holders.